| FSC-10-A | 1/14/97 |
|---|---|
| SUBJECT: Eclipse Mail Order Program | |

DISTRIBUTION:

| | | | | | |
|---|---|---|---|---|---|
| X | AVP | X | KAM | ___ | DM |
| X | RSM | X | AM | ___ | RM |
| X | RBM | X | AE | ___ | REP |
| X | ROM | | | | |

cc: DMs
RMs
ROM
ROM
RBM
RSM

***(This letter will be U.S. mailed to Division Managers and Retail Managers covering any portion of the 18 states involved.)***

Since Eclipse was introduced in Chattanooga last year, Consumer Relations has received calls and letters from smokers across the country inquiring how to purchase Eclipse. In addition, there are several hundred smokers that have participated in Eclipse market research that are interested in buying the brand.

Starting January 21, 1997 we will offer Eclipse for sale through the mail only to these smokers in 18 states. Our objectives are to test mail order as a means of satisfying demand prior to retail availability and to assess the potential that Eclipse has in various parts of the country.

Following are the program details:

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**Geography/Pricing**

| | | | |
|---|---|---|---|
| Alabama | $17.08 | Michigan | $22.48 |
| Arizona | $20.49 | Missouri | $15.35 |
| California | $18.50 | N. Carolina | $14.54 |
| Colorado | $15.95 | S. Carolina | $15.16 |
| Florida | $17.82 | * Tennessee | $16.64 |
| Illinois | $18.97 | Texas | $19.69 |
| Indiana | $16.33 | Virginia | $14.93 |
| Kentucky | $14.48 | W. Virginia | $16.33 |

* Excluding 8 counties where Eclipse is available at retail.

- Marlin data was used to determine the average full-price carton retail selling price to which sales tax was added.
- Shipping and handling - $1.50 on the first carton and 50¢ for each additional carton will be added to the above amounts.

**Scope**

- 2,800 smokers who have called or written Consumer Relations and all regular full-time Field Sales personnel residing in these states will receive a letter and sample kit order form (Attachments I and II).
- 370 Research participants will receive a letter and carton order form (Attachments III and IV).

**Notes:**

- The 2,800 smokers and Field Sales employees will have to buy a $3.00 sample kit, consisting of one pack of each style, so they can decide which one they prefer before ordering a carton.
- Since the research participants already know which style they prefer they will receive carton order forms and three $3.00 off a carton certificates good through mail order only. The research participants are the only group that will receive the certificates.
- Smokers who purchase a carton will receive a referral kit to pass along to friends and relatives that may be interested in Eclipse (Attachment V).

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Source: https://www.industrydocuments.ucsf.edu/docs/stmy0000

## Field Sales Accountabilities

Due to the small size of this test we do not feel it is necessary to inform Direct Accounts and Retailers about this program and stir up/create problems for ourselves when the program is so small it really is a non issue. The reason we are sending this information out is to make you aware of what we are doing so that you are prepared to respond to questions and concerns from our customers if asked. Also Division Managers and Retail Managers should review this information and position with their Sales and Retail Reps so they can respond as indicated to questions from their accounts.

## Key Response Points

1. Our intention is to satisfy demand among a small group of smokers and to assess the brands potential, not to circumvent traditional distribution channels.

2. Mail order sales will be discontinued within a few weeks of retail introduction by market. As an example, mail order will not be available in those parts of Tennessee where Eclipse is currently in retail distribution.

3. Order forms will be pre-printed with the recipients name and are not transferable.

4. An individual may purchase a maximum of six cartons per month.

5. Our prices, plus sales tax plus shipping and handling will put Eclipse at the upper end of retail pricing.

6. Access to this program is very limited. Only people who call or write the company, participate in research and Field Sales employees will receive information on mail order.

7. Non age-verified smokers must submit a copy of a valid official identification such as a driver's license prior to their order being filled.

8. We expect our sales through this program to be only a few hundred cartons per month in all 18 states.

Given the above points, it should be clear to our trade partners that this program is extremely limited, difficult to access and appropriately priced so as not to represent a threat to their sales and profits, today or in the future.

Program Contact: Larry Sasso, extension #0662

R. J. REYNOLDS TOBACCO COMPANY

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